OMB Control Number 1505-0222

ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION
(Include Holding Company Where Applicable)

CIT Group Inc. (Bank Holding Company); CIT Bank (Utah State Bank Subsidiary of CIT Group Inc.)

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CPP Funds Received:	$2,330,000,000	Holding Company Docket Number: (For Thrift Holding Companies)	N/A
CPP Funds Repaid to Date:	$0	FDIC Certificate Number: (For Depository Institutions)	35575
Date Funded (first funding):	12/31/2008	City:	New York
Date Repaid[1]:		State:	New York

[1]If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

☒	Increase lending or reduce lending less than otherwise would have occurred.	The CPP investment and other capital raised by CIT allowed CIT to increase lending activity albeit at lower levels relative to periods of normal market conditions. In July 2009, CIT faced a severe liquidity crisis resulting in dramatically reduced lending activity.

☒	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	During the first half of 2009, partially because of the CPP investment, CIT was able to continue (a) lending, principally with respect to small business customers of its SBA lending and vendor finance businesses, and (b) factoring for retailers and their suppliers.
☐	Increase securities purchased (ABS, MBS, etc.).	
☐	Make other investments	
☐	Increase reserves for non-performing assets	

☐	Reduce borrowings	
☐	Increase charge-offs	
☐	Purchase another financial institution or purchase assets from another financial institution	
☒	Held as non-leveraged increase to total capital	CIT committed to the Federal Reserve Bank of New York that is would maintain a minimum total capital ratio of 13%. The CPP investment by Treasury contributed to CIT achieving its targeted capital ratios during the first half of 2009.

What actions were you able to avoid because of the capital infusion of CPP funds?

If CIT had not obtained a capital infusion of TARP Capital Purchase Program ("CPP") funds which allowed it to become a Bank Holding Company ("BHC") as described in the response to the next question, CIT would have had to embark on a strategy to aggressively reduce lending volumes leading to a material decrease in assets and employees over time.

By providing CIT with an opportunity to pursue a bank funding strategy, the CPP capital infusion allowed CIT to avoid taking the following action during the first two quarters of 2009:

(1) significantly lowering or eliminating the funding of loans and leases in CIT's four commercial business segments, including small business loans under the Federal government's SBA programs;

(2) the forced liquidation of financial assets;

(3) the closure of office facilities and termination of a significant number of employees resulting from a downsizing of the organization; and

(4) potentially defaulting on loan commitment to small and mid-sized business who use the proceeds of such loans to, among other things, fund their payrolls, cover operating costs, acquire office and technology equipment, and ensure the continued flow of goods to retailers.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

As a result of the prolonged global credit and capital markets crisis in 2007 and 2008, CIT lost access to its traditional funding and liquidity sources: unsecured public bonds; commercial paper; and public securitization markets. It became essential to CIT's long-term viability to transition to a bank centric funding strategy. Accordingly, CIT undertook a series of actions to diversify its funding and increase bank deposit levels, including (a) converting its Utah Industrial Bank to a Utah State Bank, (b) becoming a BHC, and (c) applying to participate in the CPP.

In connection with CIT's BHC application, CIT committed to increasing its total capital ratio to at least 13% and achieving this level by (i) raising new Tier 1 and Tier 2 capital which included the public issuance of common stock, the acceleration of convertible debt into common stock, and an exchange offer by which senior unsecured debt was converted into subordinated debt (collectively, the "Capital Raising Initiatives") and (ii) participating in the CPP. Collectively, those transactions generated over $4 billion of capital, raising CIT's total capital ratio from approximately 9% to over 13% as of December 31, 2008.

As a result of the capital infusion of CPP funds, CIT believes that it was able to (a) successfully increase its capital ratios by consummating the Capital Raising Initiatives, (b) convert its Industrial Bank to a State Bank, and (c) gain approval of its BHC application.

As described in the response to the inquiry below, the CPP funds thereby allowed CIT to continue lending to its core customers, principally small and mid-sized businesses through July 2009 as described above. In July 2009, CIT faced a serious liquidity crisis which eventually led CIT to file a pre-packaged plan of reorganization in November 2009. CIT emerged from bankruptcy in December 2009 and, although the bankruptcy resulted in the elimination of all existing common and preferred equity (including the CPP investment); the company has been able to continue with its lending, leasing and factoring businesses intact and with a stronger capital and financial position.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

During the first two quarters of 2009, CIT's loan and lease volumes (new loans and leases) were approximately $4.4 billion (excluding factoring) and factoring volume during that period was approximately $16.5 billion. If we had not received a CPP investment at the end of 2008, we would have been forced to reduce or eliminate new lending and factoring volumes significantly as we would have been compelled to direct our remaining liquidity away from loans and lease portfolios in order to satisfy maturing debt obligations. For example, during the first quarter of 2009, expected cash from portfolio run-off was approximately $3 billion and debt maturities were $2.9 billion. As a result, absent TARP funds, CIT would have dedicated its free cash flow to debt repayments and operating expenses rather than originating new loans and leases.